THE MINISTER OF STATE IN THE MINISTRY OF INDUSTRY (DEPTT. OF INDUSTRIAL DEVELOPMENT) AND THE MINISTER OF STATE IN THE MINISTRY OF INDUSTRY (DEPTT. OF HEAVY INDUSTRY) (SMT KRISHNA SAHI): (a) to (d) Government have issued guidelines for the 5th round of wage negotiations in public sector delegating full autonomy to PSEs to conclude long-term wage settlements with their workers unions in accordance with certain parameters. The rationale for this delegation is to give greater freedom to the PSEs to improve the production, industrial relations and viability of the units, the results of which can be noticed over a period of time.

Improvement of performance of H.E.C.

559. SHRI CHATURANAN MISHRA:
SHRI GAYA SINGH: Will the PRIME MINISTER be pleased to state:

(a) whether it is a fact that the performance of the Heavy Engineering Corporation (HEC) has improved since 1992-93 after is was identified a sick company and declared a BIFR case;

(b) if so, the details of its performance during 1992-93 and 1993-94;

(c) whether it is also a fact that the main reason for the poor Production and financial performance is due to acute shortage of funds which has affected availability of input;

(d) if so, what steps are being taken to make available enough funds to this undertaking; and

(e) whether the BIFR has suggested any measures for the revival of this undertaking, if so, the details in this regard?

THE MINISTER OF STATE IN THE MINISTRY OF INDUSTRY (DEPTT. OF INDUSTRIAL DEVELOPMENT) AND THE MINISTER OF STATE IN THE MINISTRY OF INDUSTRY (DEPTT. OF HEAVY INDUSTRY (SMT. KRISHNA SAHI): (a) and (b) Heavy Engineering Corporation is one of the PSUs which have been referred to BIFR under the Sick Industrial Companies (Special Provisions) Act, 1985, as amended in 1991. The performance of the Company has improved during the year 1992-93 over the year 1991-92 and has further improved in 1993-94. The details are as under:—

(Rs. in crores)

	1991-92	1992-93	1993-94 (Upto Jan.94)	1992-93 (Upto Jan.93)
Production	246.04	333.37	268.86	251.07
Cash Loss	131.78	61.28	28.33	55.62
Net Loss	192.66	127.26	82.31	102.02

(c) and (d) Resource constraint is one of the reasons, amongst others, that has affected the performance of the Company. The Government is extending financial support to the company within its budgetary constraints.

(e) The Company formulated a Turn Around Plan (TAP) and the same has been referred to IDBI, the Operating Agency appointed by BIFR, for examination.

BHEL's contract with Iran

560. SHRI N.E. BALRAM:
SHRI N. GIRI PRASAD:

Will the PRIME MINISTER be pleased to state:

(a) whether it is a fact that the BHEL has concluded a contract with Iran for a 700 million dollar project; and

(b) if so, the details of the project and the terms and conditions thereof?

THE MINISTER OF STATE IN THE MINISTRY OF INDUSTRY (DEPTT. OF INDUSTRIAL DEVELOPMENT) AND THE MINISTER OF STATE IN THE MINISTRY OF INDUSTRY (DEPTT. OF HEAVY INDUSTRY) (SMT. KRISHNA SAHI): (a) No, Sir.

(b) Does not arise.